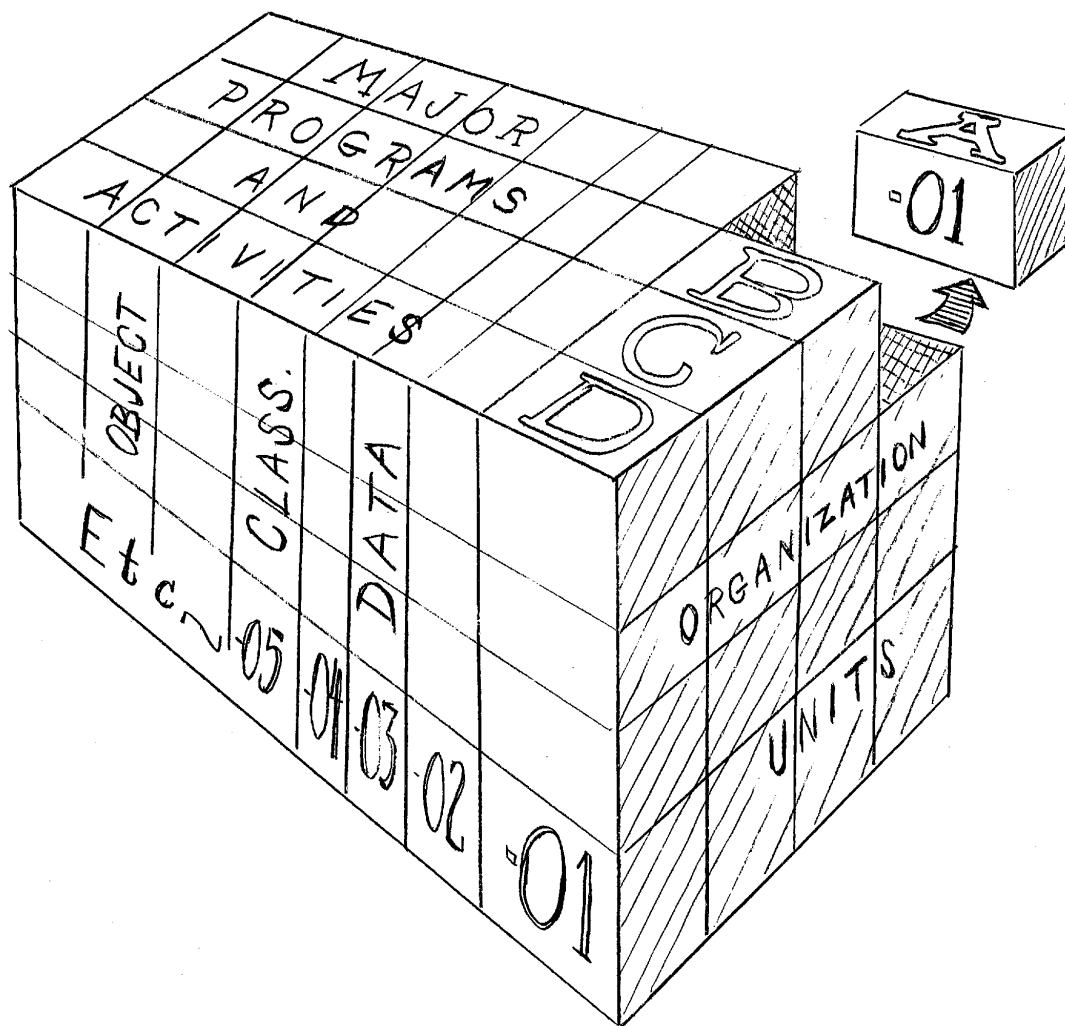


Cost Relationships . . .



25 YEAR RE-REVIEW

Approved For Release 2009/02/20 : CIA-RDP84-00161R000100060004-0
CIA INTERNAL USE ONLY.

BUDGETING, ACCOUNTING, & REPORTING FINANCIAL POLICY *beginning with* FISCAL YEAR 1960

CIA INTERNAL USE ONLY.

1 April 1959

HS/HC-154

FINANCIAL PROGRAM OBJECTIVES

✓ **Simplicity**

✓ **Gradual**

✓ **Comptroller Service**

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FINANCIAL OPERATING AUTHORITIES

OBLIGATING AUTHORITY

Direct use of
fund authority to
issue orders for:

1. CURRENT YEAR
COSTS
2. FUTURE YEAR
COSTS



COST AUTHORITY

Authority to incur
costs as follows:

1. FROM DIRECT OBLIGATIONS...

- a. current year
obligating authority
- b. prior year
obligating authority

2. FROM INDIRECT OBLIGATIONS...

- a. property
- b. printing
- c. transportation
- d. books



... OBLIGATION BUDGET SUMMARY

ORGANIZATIONAL UNIT	OPERATING BUDGET 1960			PRELIM. EST.	
	EST. 1959	NET CHANGE	EST. 1960	NET CHANGE	EST. 1961
TOTAL OBLIGATIONS:					
DIVISION A					
DIVISION B					
DIVISION C					
TOT. OBLIGATIONS					
LESS OBLIGATIONS FOR FUTURE YR. COSTS:					
DIVISION A					
DIVISION C					
TOT. FUTURE YR. COSTS.....					
OBLIGATIONS FOR CURRENT YR. COSTS:.....					

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COST BUDGET...					
ITEM	OPERATING BUDGET 1960		PRELIM. EST.		
	<i>EST 1959</i>	<i>NET CHANGE</i>	<i>EST 1960</i>	<i>NET CHANGE</i>	<i>EST 1961</i>
<i>FROM DIRECT OBLIG:</i>					
<i>CURRENT YEAR AUTH:</i>					
SALARIES.....					
PROPERTY.....					
OTHER.....					
<i>TOT. CURRENT YEAR</i>					
<i>PRIOR YEAR AUTH.:</i>					
SALARIES.....					
PROPERTY.....					
OTHER.....					
<i>TOT. PRIOR YEAR</i>					
<i>TOT. DIRECT OBLIG.</i>					
<i>FROM INDIRECT OBLIG.:</i>					
PROPERTY.....					
BOOKS & PUBL.....					
TRANSPORTATION..					
PRINTING.....					
<i>TOT. INDIRECT OBLIG.</i>					
<i>TOT. COSTS.....</i>					

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OFFICE BUDGET RELATIONSHIP

OBLIGATION BUDGET			
ITEM	1959	1960	1961
TOTAL OBLIGATION ≡ TOTAL ... LESS FUTURE YEARS ≡ TOTAL OBLIGATION FOR CURRENT YEAR..			

COST BUDGET			
ITEM	1959	1960	1961
FROM DIRECT OBLIGATIONS CURRENT YEAR..			
PRIOR YEAR			
TOTAL ...			
FROM INDIRECT OBLIGATIONS ≡ TOTAL ...			
TOTAL COSTS			

AGENCY OBLIGATION BUDGETS
 FOR COSTS FROM IN-
 DIRECT OBLIGATIONS
 PRINTING
 PROCUREMENT
 BOOKS

FROM 1958 OBLIGATIONS

OBLIGATING & COST AUTHORITY RELATIONSHIP

1. OBLIGATIONS FOR CURRENT YEAR COSTS:

a. TOTAL AMOUNTS FOR OBJECT CLASS COSTS FOR SALARIES, TRAVEL, TRANSPORTATION OF THINGS, COMMUNICATION SERVICES, RENT, RETIREMENT, AWARDS AND TAXES.

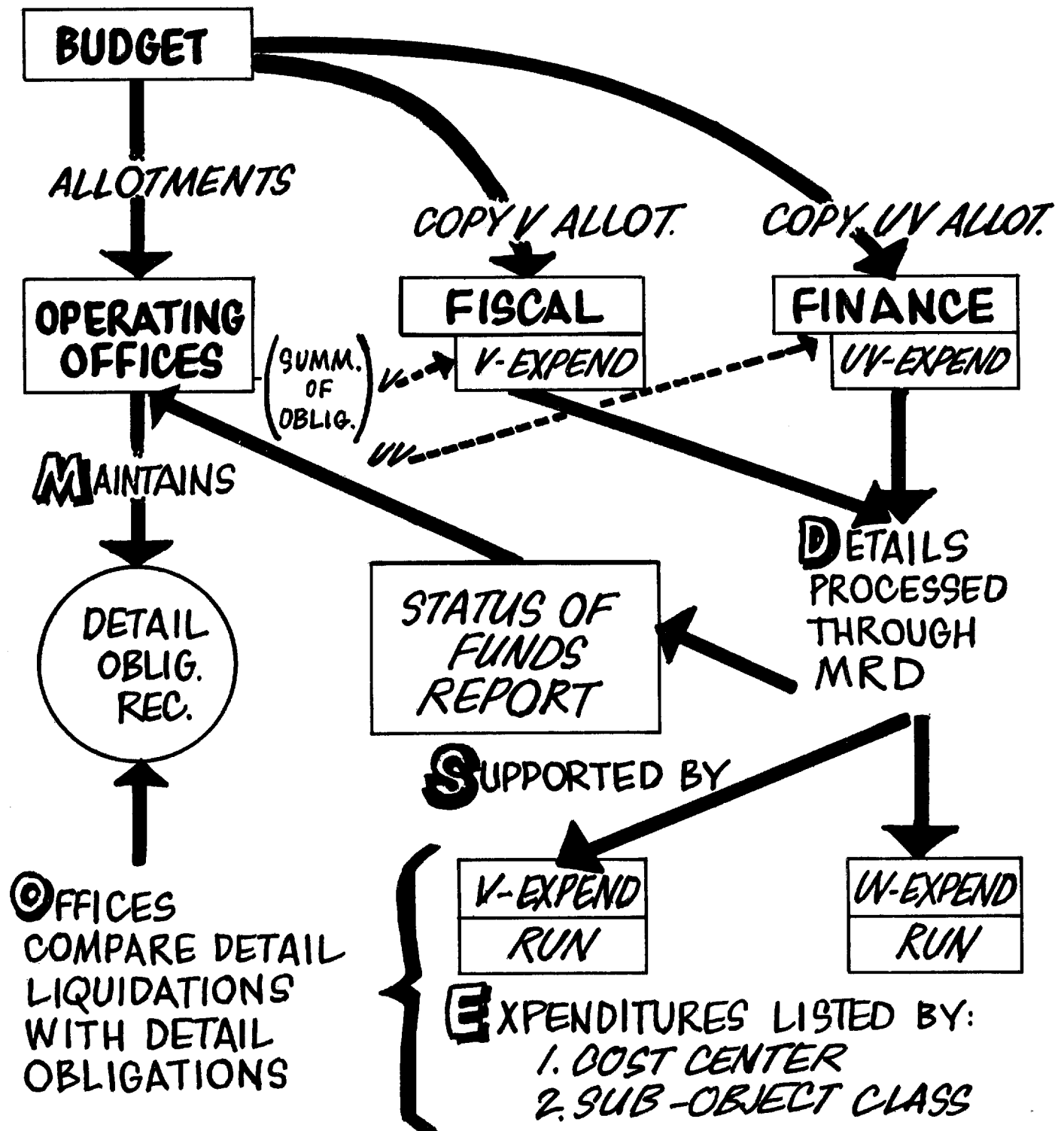
b. PART OF AMOUNTS FOR OBJECT CLASS COSTS FOR PRINTING, OTHER CONTRACTUAL SERVICES, SUPPLIES, EQUIPMENT, AND CONSTRUCTION

2. OBLIGATIONS FOR FUTURE YEAR COSTS:

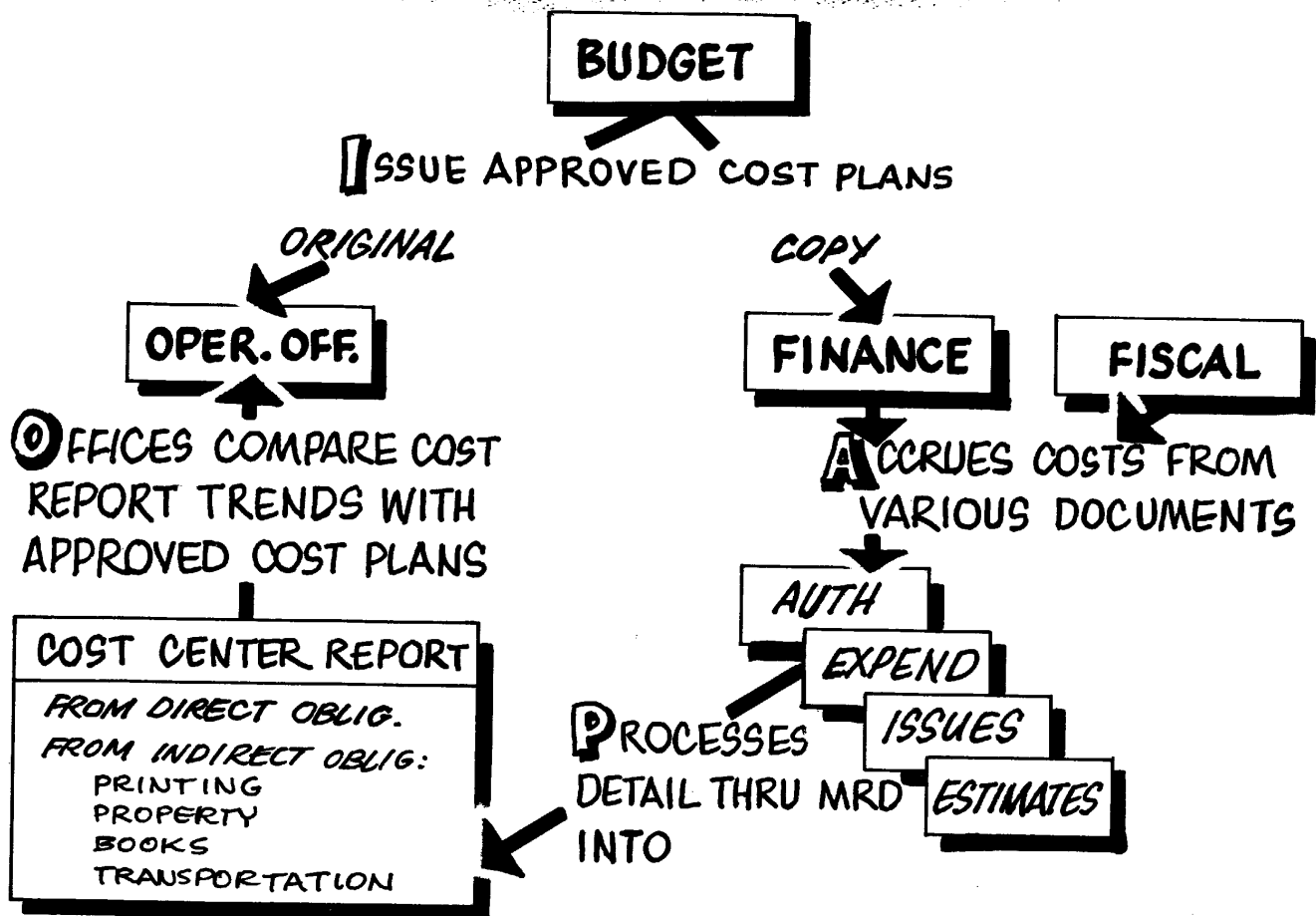
a. PART OF AMOUNTS FOR OBJECT CLASS COSTS FOR PRINTING, OTHER CONTRACTUAL SERVICES, SUPPLIES, EQUIPMENT, AND CONSTRUCTION

YEAR OF DELIVERY OR ISSUE DETERMINES DIVISION BETWEEN CURRENT AND FUTURE YEAR COSTS.

OBLIGATING AUTHORITY CONTROL



COST AUTHORITY CONTROL



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ADVANTAGES & APPROACH

1. CAN BE ACCOMPLISHED WITHOUT ADDITIONAL PERSONNEL.
2. OBLIGATION & COST PLANNING SIMPLIFIED:
 - A. TOTAL REQUIREMENTS EMPHASIZED
 - B. REDUCES PAPER WORKLOAD
 - C. RELATED MANAGEMENT ADVANTAGES
3. CONSOLIDATED & IMPROVED REPORTING:
 - A. GIVES MANAGEMENT INFORMATION IN ONE REPORT (i.e. all costs in one report)
 - B. REDUCES DUPLICATE RECORD KEEPING
 - C. PROVIDES OPPORTUNITY TO REDUCE REPORTING WORKLOAD
4. CONTROL AUTHORITIES & RESPONSIBILITIES IMPROVED:
 - A. OBLIGATIONS WITH ALLOTTEE
 - B. USE OF COSTS FOR OPERATING PURPOSES
 - C. PLACES EMPHASIS ON V & UV DISBURSEMENTS

COMPTROLLER TIME SCHEDULE

1. COST BUDGETING

Q. EFFECTIVE 1 JUL 1959

U. PROCEDURES TO BE ISSUED BY 15 MAY 1959

2. COST ACCOUNTING & REPORTING

Q. FOR COSTS FROM INDIRECT OBLIGATIONS,
EFFECTIVE 1 JUL 1959

U. FOR COSTS FROM DIRECT OBLIGATIONS,
EFFECTIVE AS SOON AS POSSIBLE AFTER
1 JUL 1959, BUT NOT LATER THAN 1 JAN 1960

C. PROCEDURES TO BE ISSUED 45 DAYS BEFORE
EFFECTIVE DATE

3. DECENTRALIZED OBLIGATION RECORDS

EFFECTIVE 1 JUL 1959 OR AS SOON THEREAFTER
AS POSSIBLE.

4. CHART OF ALLOTMENT & COST ACCOUNTS

TO BE ISSUED BY 15 JUN 1959